

**Senate File 409 - Introduced**

SENATE FILE 409  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SF 255)

**A BILL FOR**

1 An Act extending the period of time for collecting sales tax  
2 for deposit in the secure an advanced vision for education  
3 fund.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 11, paragraph b,  
2 subparagraph (3), Code 2015, is amended to read as follows:

3 (3) Transfer one-sixth of the remaining revenues to the  
4 secure an advanced vision for education fund created in section  
5 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~  
6 effective January 1, 2050.

7 Sec. 2. Section 423.2, subsection 13, Code 2015, is amended  
8 to read as follows:

9 13. The sales tax rate of six percent is immediately reduced  
10 to five percent following repeal of chapter 423F, section  
11 423.3, subsection 11, paragraph "b", and section 423.43,  
12 subsection 1, paragraph "b", on January 1, 2030 2050.

13 Sec. 3. Section 423.5, subsection 5, Code 2015, is amended  
14 to read as follows:

15 5. The use tax rate of six percent is immediately reduced  
16 to five percent following the repeal of chapter 423F, section  
17 423.3, subsection 11, paragraph "b", and section 423.43,  
18 subsection 1, paragraph "b", on January 1, 2030 2050.

19 Sec. 4. Section 423.43, subsection 1, paragraph b, Code  
20 2015, is amended to read as follows:

21 b. Subsequent to the deposit into the general fund of  
22 the state and after the transfer of such revenues collected  
23 under chapter 423B, the department shall transfer one-sixth of  
24 such remaining revenues to the secure an advanced vision for  
25 education fund created in section 423F.2. This paragraph is  
26 repealed ~~December 31, 2029~~ effective January 1, 2050.

27 Sec. 5. Section 423F.6, Code 2015, is amended to read as  
28 follows:

29 **423F.6 Repeal.**

30 This chapter is repealed ~~December 31, 2029~~ effective January  
31 1, 2050.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with  
34 the explanation's substance by the members of the general assembly.

35 Code section 423.2 imposes a state tax of 6 percent upon

1 the sales price of all sales of tangible personal property,  
2 consisting of goods, wares, merchandise, and other items  
3 designated by statute, sold at retail in the state to  
4 consumers, except as otherwise provided by Code chapter 423.  
5 Generally, by operation of law, a sale subject to the sales  
6 tax is also subject to the use tax. Following the transfer  
7 of amounts required for the natural resources and outdoor  
8 recreation trust fund, one-sixth of the remaining state sales  
9 tax revenue from the 6 percent tax is transferred to the  
10 secure an advanced vision for education (SAVE) fund created in  
11 Code section 423F.2. Moneys in the SAVE fund are allocated  
12 to school districts on a per pupil basis to be used for  
13 infrastructure and property tax reduction purposes specified  
14 in Code chapter 423F. Under current law, the sales tax rate of  
15 6 percent is reduced to 5 percent on January 1, 2030, and Code  
16 chapter 423F, along with other corresponding provisions, is  
17 repealed December 31, 2029.

18 This bill extends the 6 percent sales tax rate, the  
19 allocation to the SAVE fund, and the statutory repeal of Code  
20 chapter 423F until January 1, 2050.